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Kenneth Bryan Dart (born 1955):

Dart was a huge investor in Salomon Brothers during the Buffett/Munger years.

• D30 THE MORNING CALL, SUNDAY, OCTOBER 20, 1991

THE GREAT DOONESBURY SELLOUT

Investment group buys stake in Salomon

By KURT EICHENWALD
Of The New York Times

NEW YORK — An investors' group has purchased 5.74 percent of the outstanding common shares in the parent of Salomon Brothers, according to a document filed Friday with the Securities and Exchange Commission.

The filing made by executives of Dart Financial Corp., a Flordia-based cup maker, and related entities is the first indication that any group of investors has made a concerted effort to purchase a large stake in the Wall Street investment house as it has been struggling to recover from its role in the Treasuries market scandal.

The purchases by the investors began on Aug. 16, the day that two Salomon executives, including John H. Gutfreund, the firm's chairman and chief executive, announced they would resign for failing to inform the government about Salomon's illegal bidding in the Treasuries market. Shares of Salomon, which had been declining sharply in the days before the announcement, began to rise on the news of the resignations.

The purchases were made by Kenneth B. Dart, Robert C. Dart and other members of the Dart family through a number of investment vehicles, including Dart Financial, KBD Corp., Dart Foundation and other companies. The companies are not related to Dart Group, the investment vehicle of the Haft family.

The Darts made the SEC filing, known as a Schedule 13D, as legally required once purchases exceed 5 percent of a company.

According to the filing, the Darts made their purchases only for investment purposes. They gave no indication that they were seeking control of the company. The document said the Darts intended to purchase more of the shares.

The SEC filing said the group purchased 6,423,800 Salomon shares since August at prices ranging from $20.75 to $28 a share, for a total cost of $159,814,203.

Salomon appeared unconcerned about the filing. "We welcome their purchase, just as we would that of any long-term investor," Robert Baker, a spokesman for the firm, said.

Frederick C. Abendroth, the investment manager for Dart Container, declined to comment on the purchase or to give any additional information, as did G. Bruce Papesh, the president of Dart Papesh & Co., a Lansing, Mich., broker and money manager.

Abendroth said that the Dart family also held a stake in another company that has been touched by the Salomon scandal, the government-sponsored Federal Home Loan Mortgage Corp., known as Freddie Mac. Salomon and a number of other brokers have paid fines for having submitted inaccurate bids at Freddie Mac auctions.

December 11, 1993:

Fights of the rich and famous

By PAUL SOUHRADA
Lansing State Journal

Unsealed records describe arrows fired by Dart family

Bitter infighting between members of the area's richest — and most secretive — family became a matter of public record Friday.

Thousands of Ingham County Probate Court records unsealed after a WILX-TV 10 legal challenge tell of a family feud involving hundreds of millions of dollars controlled by the Mason-born Dart family.

Thomas Dart, one-time whiz kid of the state's oil and gas business, is suing his parents, brothers and others for allegedly cheating him out of his fair share of the family fortune.

He's been fighting since February 1992 to get it back.

Dart, now 40, wants the court to throw out a 1986 corporate reorganization that gave brothers Kenneth and Robert control of the billion dollar Dart Container Corp.

Ken Dart, 38, is the head of Dart Container — the leading producer of foam coffee cups, with estimated 1992 revenues of more than $460 million. Beyond that, he's made a name for himself recently in the world financial press for almost single-handedly holding up a $35 billion Brazilian debt restructuring.

Tom got the less profitable Dart Energy Corp. and the promise of one-third of the value of Dart Container.

"Thomas J. Dart, who was 33 years old at the time, and his family were completely squeezed out of the crown jewel of the family business," Dart's lawyers charge in a similar lawsuit pending in Sarasota, Fla. Some family members and the headquarters of Dart Container relocated there in 1989.

The Darts aren't to be confused with the Haft family, members of which are in another highly publicized fight over their firm, Dart Corp.

Until 1986, Dart Container, Dart Energy and the family's other interests were indirectly owned in equal shares by trusts set up for the three brothers by their grandfather.

See DARTS, Page 2A

The family

The Dart family members embroiled in a dispute over millions of dollars:

- **William Dart**, of Sarasota, Fla., chairman of Dart Container, father of Kenneth, Robert and Thomas.
- **Kenneth Dart**, of Sarasota, president of Dart Container.
- **Robert Dart**, recently moved to London from Okemos, vice president of Dart Container.
- **Thomas Dart**, of Bloomfield Hills, president of Dart Energy Corp.

Darts

From 1A

Tom Dart contends in his lawsuit that he never agreed to the spin-offs. Even if he had, he says, the values placed on the two major companies involved were skewed to deprive him of between $265 million and $325 million.

According to his complaint, the deal netted his trust $60 million. Documents filed by the family peg the figure closer to $120 million.

Either way, Tom Dart claims he never saw a penny.

He said his father, William A. Dart, stacked the Dart Energy board of directors with hostile members — leaving him little say in the company he founded in 1975. With his father in control of his trust, Tom Dart said he has little hope of seeing any of the money.

Ken and Robert, on the other hand, each pulled $75 million out of their trusts after their father released control in 1990, court records show.

Affidavits of the defendants

the reorganization.

By March 1984, bickering among the brothers — most often with Tom on one side and Ken and Bob on the other — was threatening the harmony of the family business, William Dart said in court documents.

Dart said he thought it was best to split the company up. He insists Tom knew about and approved the reorganization from the time the subject came up in 1984.

The elder Dart admitted he didn't approve of his son's taste in fancy foreign cars and that he was worried that Tom's lifestyle was getting in the way of his job.

In a 1983 meeting in the parking lot outside the company's Mason headquarters, William Dart laid down the law: Tom would be in the office at 8 a.m., he would move his office to the Dart Container building and he would stop talking to reporters.

Tom drove to that meeting in his Oldsmobile because his father forbid foreign cars on company property.

Tom portrayed the meeting as

said it was merely a father's warning that his son was jeopardizing his career and wouldn't be able to count on his trust to bail him out.

Tom admits that he suffered from personal problems in the early 1980s.

Profits at the once-booming Dart Energy disappeared with the drop in oil prices. His first marriage was disintegrating and he lost custody of his children. And he turned to drugs, he said in his statement.

But instead of understanding, his family turned on him and saw his weakened emotional state as a way to drive him out, he claims.

Ken, particularly, saw Dart Energy as a drain on the family fortune and resisted Tom's pleas for more money.

Lawyers for the family portray Tom's suit as simply another grab for money.

Tom said he just wants what belongs to him and his family.

The case likely will remain bot-

Post Share

March 16, 1994:

IN THE AMERICAS

Darts threaten to deflate deal

Just as Brazil is wrapping up a $52 billion debt restructuring, a Michigan tycoon who complicated the deal last year is again threatening to spoil three years of talks with U.S. banks to settle the country's loan problem. Kenneth Dart and his family, whose fortune was made in the foam cup business, were billed last year as Brazil's fourth-largest creditor, holding $1.4 billion or 4 percent of loans on which the country has defaulted. In its latest agreement with creditors, which include the world's largest commercial banks, Brazil is offering a mix of bonds as payment for debt paper issued in the 1980s known as a multiyear deposit facility agreement. But the Darts have refused to take part in the deal unless Brazil swaps all of their debt for so-called capitalization bonds, one of several bonds offered in the restructuring.

March 29, 1994:

Kenneth Dart is said to be a citizen of tax haven Belize

BY LAURIE COHEN
Wall Street Journal

How far might Kenneth Dart, the investor and foam-cup tycoon, go to avoid paying hefty U.S. taxes on his personal income?

All the way to Belize, it seems.

People familiar with Dart's dealings said the billionaire and scion of a Mason-based family fortune has forsaken his U.S. citizenship and become a citizen of Belize. The tiny Caribbean country is known for its scuba diving — and status as a tax haven.

Dart, 38, has long had a penchant for privacy. But he came to the attention of Wall Street in recent months by delaying a $35 billion Brazilian debt restructuring. Dart and his family hold a large chunk of Brazil's debt.

A spokeswoman for Dart, president of Sarasota, Fla.-based Dart Container Corp., declined comment.

Dart Container, founded in 1960, makes more than half the polystyrene cups sold annually in the United States. Ken Dart and his father, W.A. Dart, acknowledged in a recent interview that better tax rates led them to relocate in 1989 from Mason to Sarasota, where they operate out of an unmarked office behind a sporting goods store.

A spokeswoman for the Belize Embassy in Washington said the country doesn't tax income generated outside Belize.

People close to Dart said he has recently spent much of his time in the Cayman Islands, where the family has an office to manage investments in developing-nation debt markets and other ventures. They are said to have bought debt of Poland and Ecuador. Ken Dart recently set up Dart Asia Ltd. to invest in China.

Tax lawyers who don't represent Dart or his companies said that beyond wanting to avoid U.S. taxes, individuals might take up citizenship elsewhere to avoid potential legal judgments.

Dart is being sued by his brother Tom in Michigan and Florida. Tom Dart contends that Ken and his father conspired to cut him out of the family fortune, and is seeking hundreds of millions of dollars.

May 16, 1994:

Post Share

Dart buys resort

If you're headed to the Cayman Islands, don't plan on staying at the posh West Indian Club.

Word from George Town, capital of the British territory in the western Caribbean, is that Kenneth Dart, a member of the reclusive Mason-based family that made a billion-dollar fortune from foam cups, has bought the resort hotel and plans to turn it into a private residence.

Dart paid $5 million to $6 million for the 3.5-acre beachfront property, the Caymanian Compass newspaper reported recently.

The purchase allows Dart to file for permanent residency in the Cayman Islands, a popular tax haven. Just two months ago, the Wall Street Journal reported that Dart had given up his U.S. citizenship to become a citizen of Belize, another Caribbean tax haven.

By the Free Press business staff

February 7, 1995:

Post Share

Wealthy could pay to forfeit citizenship

■ *Washington*

The Clinton administration is cracking down on the dozen or so rich people a year who renounce their U.S. citizenship to avoid taxes. There'll be a slight exit fee amounting to $2.2 billion over six years.

About 850 people abandoned their U.S. citizenship last year and — judging from published reports — the Treasury Department believes a few dozen of these are rich people seeking to avoid capital gains and other taxes.

Among the billionaires who've already left are investor Kenneth Dart, president of Dart Container Corp., for Belize, and John Dorrance III, heir to the Campbell Soup fortune, for Ireland.

However, effective Monday, if Congress accepts the administration proposal, renunciation of U.S. citizenship will be considered a taxable event.

The tax would apply only if an expatriate has more than $600,000 in gains and it wouldn't apply to real estate or pensions. The department said the tax would rarely apply to people with gross assets of less than $5 million.

February 7, 1995:

Post Share

Clinton Seeks to Close Tax Loophole for the Rich

■ Revenues: Proposed law would prevent the super-wealthy from renouncing citizenship to avoid levies. Officials hope to raise $2.6 billion.

By JAMES RISEN
TIMES STAFF WRITER

WASHINGTON—Alarmed by a small but growing exodus of super-rich Americans, the Clinton Administration proposed on Monday to eliminate a loophole that allows wealthy individuals to avoid millions—and sometimes billions—of dollars in taxes by renouncing their U.S. citizenship.

Administration officials said about two dozen millionaires and billionaires each year renounce their citizenship to avoid taxes on the sale of major assets such as corporations they founded or stocks they have held for many years that have sharply appreciated in value and would otherwise be subject to heavy capital gains levies. Closing the loophole, officials said, would raise about $2.4 billion in new tax revenue over five years.

Under the new law, Americans who renounce their citizenship will have to pay taxes on long-held assets immediately, to eliminate any tax advantages of the move.

In addition, the Administration is proposing a separate provision to close another loophole that could allow wealthy Americans who renounce their citizenship to transfer some of their assets to children who still live in the United States at low tax rates through special trust funds.

The White House kept the proposed change, retroactive to Feb. 6 if passed by Congress, a closely guarded secret until Monday to prevent a last-minute surge in the exodus.

Officials said the plan is targeted at the jet-setting rich who try to have it both ways—they renounce their citizenship yet keep their homes and families in the United States.

As long as they do not physically stay in the country more than 183 days a year, these wealthy individuals can claim to be foreign visitors. Treasury officials said Monday that in some cases, individuals could avoid hundreds of millions of dollars in taxes on massive family fortunes by using the loophole.

The Treasury said that in 1994, 858 Americans renounced or abandoned their U.S. citizenship, up from 571 in 1990.

But only a few of the richest would be subject to the proposed law, since an individual's first $600,000 in unrealized gains would be exempt from the tax change. At that exemption level, such a law would be unlikely to affect anyone who has a net worth of less than $5 million, officials said.

The Administration did not officially identify the handful of individuals who have taken advantage of the loophole in the past year or two. But in background briefings, they pointed reporters to recent press reports about some super-rich people who have renounced their citizenship for tax purposes and said that the reports were accurate.

One person who was singled out was Kenneth Dart—a secretive investor and heir to a $1-billion family fortune from a drinking cup business—who was profiled in the Wall Street Journal last year after he renounced his U.S. citizenship and took up residence in Belize.

Treasury officials also handed out a Forbes magazine article on the trend among the rich to renounce their citizenship that named several billionaires and multimillionaires as well. One was John Dorrance III, a Campbell Soup heir who also has a $1-billion-plus fortune. He has switched his residence to Ireland.

"The aim is to make sure that individuals who amassed great wealth through the opportunities and protections offered by the American system face their tax responsibilities," the department said in a statement.

Oddly, the problem has developed despite the relatively low U.S. tax rates, compared with most other major industrialized nations. But Treasury officials said citizenship has become a tax issue because the United States is one of the few nations that taxes people based on citizenship, rather than on actual residence.

In most European countries, governments can't tax an individual unless that person lives in the country. That gives the rich the ability to escape taxes while retaining their passport and citizenship—simply by moving elsewhere.

Tax experts call that the Bjorn Borg clause—after the tennis star of the 1970s who fled Sweden in order to avoid that country's extraordinary tax rates. That European loophole has been enticing Americans, and some of the super-rich are switching from U.S. to European passports.

Indeed, some rich Americans are now engaging in a double or triple switch—they renounce their U.S. citizenship, take up European citizenship, but live part time in a Caribbean tax haven. Forbes quoted one woman who became a Norwegian citizen in 1994, and then moved from Ft. Lauderdale, Fla., to Nassau in the Bahamas.

Administration officials said Monday that they believe they can win bipartisan support for the measure, and doubt that Republicans will oppose it as a tax hike on the rich.

At the other end of the income scale, the Administration is taking two steps to restrict eligibility for the earned-income tax credit, a program designed to supplement the income of the working poor.

Families with two children are eligible for at least a partial credit until income surpasses $26,673. The cutoff is $9,230 for childless taxpayers.

Beginning in 1996, taxpayers with more than $2,500 in interest and dividend income also will be denied a credit, even if they meet all the other requirements.

Also, only resident foreign nationals authorized to work in the United States and with valid Social Security numbers will be eligible for the credit. Non-resident foreign nationals will be ineligible.

The changes in the earned-income credit program should raise $3.3 billion through 2000.

June 26, 1997: Not all his investments have been winners. Dart filed on a lot of small pharmaceutical/biotech companies. Low success rate in this area it seems to me based on his filings. Game selection matters so much.

Post Share

Liposome shares tumble

NEW YORK

Two weeks ago, billionaire Kenneth Dart announced plans through **Liposome Co.** to sell all of his 7.5 million shares, or 20 percent stake, in the Princeton, New Jersey-based biotechnology drug maker.

Too late. Liposome shares — and the value of its largest investor's position — collapsed by two-thirds today after the company said a medical study showed no significant difference in patients receiving an experimental Ventus respiratory drug or a placebo.

As a result, Mr. Dart's wholly owned **Ross Financial Corp**. saw the value of its Liposome investment tumble to about $71.7 million from $186.1 million yesterday. Liposome shares, the most active in the U.S. as more than 29 million changed hands, sank 15 1/4 to 9 9/16, down from 24 13/16.

April 6, 1998: (tempted to add commentary here, but I will restrain myself)

Post Share

Billionaire's ex-wife wants new divorce

She says Dart tricked, cheated her first time

BY DAVID ASHENFELTER
Free Press Staff Writer

Most ex-wives would be thrilled with a $16-million divorce judgment and $90,000 a year in child support.

But Katina Dart isn't your typical ex-wife.

The 40-year-old Okemos woman is the former spouse of billionaire expatriate Robert Dart.

She claims he lured her to England in 1993 to divorce her under British laws that protect the assets of wealthy men. She wants the Michigan Supreme Court to ignore a 1996 English divorce decree that awarded her less than 1 percent of his assets, which she estimates at $1 billion to $2 billion.

She also wants a new trial in Ingham County Circuit Court so she can find out what he's worth and claim her share, which she said she wasn't allowed to do in England.

Her goal: half of his fortune.

"The trial in England was a farce," she said in a recent interview. "My husband and I were born in Michigan, grew up in Michigan and married in Michigan. The divorce should have been handled in Michigan."

Katina Dart

Robert Dart declined to be interviewed, but said in court papers that he ended their 16-year marriage because she was unfaithful. He said the move abroad "was a joint decision and not one imposed by me or in any way explained by some ulterior motive."

His lawyer, Hanley Gurwin of Birmingham, said in legal documents that the English divorce proceedings were fair and that Katina Dart has no legal right to have the case retried in Michigan, even though an Ingham County Circuit judge thinks she was mistreated.

"In every contested litigation,

Please see DART, Page 2A

September 17, 1998:

Post Share

FACTFILE KEN DART

Man who would be King of 'Dartania'

KENNETH Dart, 43, the middle brother, is worth £2.7billion but it seems to have brought him little joy.

Over the years his behaviour, distorted by limitless wealth, has become increasingly unreal.

A few years ago he bought a crumbling resort on the western tip of Grand Bahama, a one-time haunt of the rich and famous, with an airstrip and marina. According to Tom, Ken bought the resort with the idea of setting up a separate country called "Dartania". This has never happened and the resort is now a ruin, overrun by wild dogs.

He is so desperate to hang on to his cash, his brother claims he told him was financing research into the human brain so he could keep his own alive after his body died.

He believed he could save his children from paying death duties because he was technically still alive.

Ken is determined not to pay income tax. Five years ago he renounced US citizenship and has been in exile since.

He lives in isolation in a £3.3 million guarded compound on an island in the Cayman Islands, rarely socialising or going out.

He could have anything he wants and yet he lives a strange nomad existence sometimes travelling the world in a private jet or aboard his 200ft luxury yacht, named after his mother but armoured to withstand torpedo fire.

His wife Janice and their three young daughters still live in Sarasota, Florida, at the family home. The girls hardly see their father.

June 26, 1999: Dart's recently been in the news (and a topic of conversation here on X) as a large investor in some of the tobacco companies. He is not new to the tobacco industry. He has been a large investor in the space for decades.

Post Share

Investor acquires big stake in R.J. Reynolds

Investor Kenneth Dart, through an affiliate, acquired a 9.9 percent stake in R.J. Reynolds Tobacco Holdings Inc., the nation's second-largest cigarette-maker.

Ross Financial Corp., a company controlled by Dart, holds 10.7 million common shares in the company, according to papers filed with the Securities and Exchange Commission.

R.J. Reynolds became a separate company earlier this month when RJR Nabisco Holdings Corp. split into independently traded food and tobacco businesses. R.J. Reynolds sells cigarettes under such brand names as Winston and Camel.

A major shareholder at RJR Nabisco opted not to participate in the spinoff. Financier Carl Icahn sold his 8 percent stake in RJR Nabisco at the time it divided into separate food and tobacco businesses.

Ross Financial, based in the Cayman Islands, crossed the 5 percent ownership threshold that requires public disclosure on June 15, according to the SEC filing. Its stake has a market value of about $341 million.

Dart also is the president of Dart Container Corp. One of his best-known investments was a stake in Salomon Inc., the investment bank that was acquired by Travelers Group in 1997.

From the RJ Reynolds 2000 Proxy Statement: Ross Financial Corporation = Dart's Investment Vehicle.

Post Share

[Enlarge/Download Table]

NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED(4)	PERCENT OF OUTSTANDING SHARES OWNED(4)
Capital Research and Management Company..... 333 South Hope Street Los Angeles, CA 90071	15,021,770(1)	14.1%
FMR Corp. ..... 82 Devonshire Street Boston, MA 02109	12,124,833(2)	11.3%
Ross Financial Corporation..... P. O. Box 31363-SMB Grand Cayman, Cayman Islands, B.W.I.	15,189,603(3)	14.2%

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(1) Capital Research and Management Company, a parent company, and/or its subsidiaries, held no voting power and sole dispositive power over these shares, based on its Schedule 13G filed with the SEC on February 10, 2000.
(2) FMR Corp., a parent holding company, and/or its subsidiaries held sole voting power over 52,233 of these shares and sole dispositive power over all of these shares, based on its Schedule 13G filed with the SEC on February 14, 2000.
(3) Ross Financial Corporation held sole voting power and sole dispositive power over all of these shares, based on its Schedule 13G filed with the SEC on February 16, 2000.
(4) As of December 31, 1999, 106,902,767 shares of RJR common stock were outstanding (exclusive of 2,728,630 shares held in RJR's treasury).

August 1, 1999:

Tropical paradise: For Kenneth Dart it was not just the sands of Belize that proved golden.

Britain. To distract attention from the sour smell filling many nostrils, the Conservatives and their press have concentrated on motives as much as fact. Did New Labour break the rules by leaking privileged information about Ashcroft? Is Murdoch yet again ingratiating himself with Blair in return for future favours? Interesting questions, I'm sure, but not quite the point at issue.

Last week Ashcroft's supporters broke with precedent and delivered a solid nugget of truth. George Bruno, who left the US ambassadorial post in Belize in 1997, said he had never heard anything said against Ashcroft by the American Drug Enforcement Administration or anyone else while he was in office. 'One must ask if this is a politically motivated smear campaign,' he said. 'This is a tempest in a teacup.'

It is impossible to question the sincerity of a distinguished man. But it is possible to look at the society in which ambassadors such as Bruno move and to ask whether what he regards as outrageous smears might seem like legitimate questioning to less exalted souls. For this is not the first time Ambassador Bruno has fought for a tax exile.

The American Michael Ashcroft is Kenneth B. Dart, ruler of a foam cup empire. Bendy beakers might seem pretty mundane to you, but they're worth billions of dollars to Dart. Following the example of Coca-Cola, the Dart family, one of the richest in the world, has kept its formula for moulding polystyrene beads concealed. It never patented the process because patents expire and rivals learn the alchemy of turning base polystyrene into gold eventually. Although united in their love of secrecy, the Darts seem a rather dysfunctional family in other respects. Three members are currently suing their brothers and uncles to get a larger slice of the fortune.

Kenneth Dart has diversified away from the coffee machine and become a global speculator. When the south American economies crashed in the Eighties he bought Brazilian debt at an enormous discount. So powerful was Dart, that for a while he was able to threaten an entire country's well being when he refused to allow a plan to restructure the debt to go ahead. He made a $600 million profit.

Like Ashcroft, Dart is a master at avoiding tax. He has funded brain research at the University of California. His brother, Tom, claimed he told him in 1991 that he wanted to test whether it was feasible to keep the brain alive after the death of the body and thus avoid death duties for ever. He left America on an armoured yacht which can withstand torpedo fire reasoning that if he stayed in international waters he would never have to pay taxes to any state. The rich can afford quality legal aid so one must never call them misanthropic lunatics. Instead, let us just say that Dart is an eccentric.

His dream that his pickled brain might roam the oceans for eternity, alas, came to nothing and he was compelled to head for land. He, too, found that Belize was a welcome berth where the local taxman asked for merely token mooring charges. Like Ashcroft, he does not actually live in the mosquito-infested state, preferring instead a high-security compound on the Cayman Islands, but he became a Belizean citizen. In 1995, Belize offered to give him the Ashcroft treatment and make him its consul in Sarasota, Florida. As a foreign diplomat, he would be spared the necessity of paying US taxes.

Even the American Congress, whose members' dependence on hundreds of millions of dollars of campaign funds has given it an indulgent attitude to the demands of big business, was outraged. Why Sarasota? they asked. Belize already had a consulate in nearby Miami. Sarasota was not a home to Belizean immigrants but it was, funnily enough, home to Dart's wife and children.

But Bruno urged his government to humour Dart. He was sure Dart was not trying to play the system and would work as a trade representative for Belize. If his request for tax-free diplomatic status was rejected, then 'issues pending [with Belize] would be complicated'. The American State Department ignored their ambassador and blackballed Dart.

None of the above shows that Ashcroft or Dart have broken the law. But in a world where tax exiles can hold an economy the size of Brazil's to ransom and buy political parties in the banana republic of Belize and the banana monarchy of Britain, the real scandal is not that what they do is illegal, but that it isn't.

November 19, 1999: Dart made a big bet on Yukos (Mikhail Khodorkovsky's Russian Oil company).

Post Share

Former Official Warns of an Investor Exodus

If the court action stands, it will send yet another message to Western investors that Russia is not the place to put their money.

Dmitri V. Vasiliev, who recently resigned as chairman of the Federal Securities Commission, warned in a letter to the State Property Ministry that the Lomonosov case "creates an extremely dangerous precedent and will be a real shock to investors, including foreign investors, and can provoke their mass exodus from Russia."

Two major foreign companies are already waging fights to hang on to acquisitions made in Russia before the country's 1998 currency devaluation and debt default. London-based BP Amoco is attempting to preserve its $517-million investment in Sidanko, an oil company that has been declared bankrupt. Similarly, a group headed by American businessman Kenneth B. Dart is trying to prevent oil giant Yukos from issuing shares that would dilute its 10% interest in Yukos subsidiaries.

The USA-Russia fund is searching for a compromise with the State Property Ministry that would preserve the organization's $4.25-million stake in Lomonosov, but the government agency is hanging tough: It secured a separate court ruling that banned the investors from convening a shareholder meeting as planned early this month. To many Russians, the porcelain factory is a cultural treasure that should never have been allowed to fall into Western hands. Much loved in Russia, Lomonosov's hand-painted items are also popular abroad. The factory's museum—owned by the government but closed to the public—is packed with priceless exhibits.

"The factory is an object of national heritage," said Lomonosov Director Yevgeny Y. Barkov. "And our point is, if it's an object of national heritage, then it should be owned by the state."

In fact, the porcelain plant has been subsidized by the state for nearly all of its existence. Never in its long history has it made a profit—at least officially.

The Imperial Porcelain Factory was founded by Empress Elizabeth, daughter of Peter the Great, in 1744—even before the start of the Industrial Revolution in England. Its function was to make dinnerware, tea sets and objects of fine art for the czars and their families.

The factory on the Neva River became known throughout the world for the high quality of its workmanship and design. During the reign of Catherine the Great, one of its biggest product lines featured porcelain images of the empress.

In 1917, the factory was nationalized by the Communists, who

December 29, 1999:

Post Share

Russian oil vows cleanup

BY MICHAEL WINES

MOSCOW • On its face, it is no great shakes that Russia's sixth-biggest oil company, Sibneft, unveiled a spiffy new green-and-blue logo in April. What makes it a symbolic symbol indeed is the logo's two flavours: traditional Cyrillic for Russians — and English for most everyone else.

For an industry that has exemplified this country's hand-on-the-throat style of business, there may be no better metaphor. Russia's oil tycoons largely founded their empires through dark-of-night political deals and squeezing out competitors, and until lately they have run their companies pretty much the same way.

But now, if the barons themselves are to be believed, the era of wildcatter capitalism is over. The new mantra of Russian oil companies is the same one invoked in the wool-worsted realm of Western business: corporate strategies, transparent finances, independent directors, professional managers.

"Russia is following the world trend," Yevgeny Schvidl, Sibneft's president, said. "Sometimes, it is in front of the trend."

There remains but one hitch: just as with spiffy new logos, not everyone is ready to believe that the transformations are much more than symbolic.

Sibneft is in some ways a test case of whether the industry can reinvent itself — or whether it really wants to. From their European-style offices on the very toniest stretch of downtown's Moscow River bank, executives say they are remaking the company in the image of global business — and, to an extent, experts agree.

In recent months, the company has issued Russia's first corporate-governance charter, a document that sets out rules for treating shareholders fairly. It has agreed to give outsiders two seats on its board. In the spring, it began selling shares on secondary international markets in the form of American drawing rights. The company is gunning for full listing on foreign exchanges in the years ahead.

Sibneft is one of a handful of Russian companies whose books are audited according to "generally accepted accounting practices," meaning that results are reported using the same rules foreign companies follow. And unlike other big Russian oil firms, it promises to reveal the identities of its major shareholders, probably next year.

"Russia's most progressive oil company," Sibneft boasts in an advertisement in a local newspaper. Analysts say that could be true. The problem, they caution, is that the competition is not especially stiff. Russian oil companies, Sibneft included, are saddled with such murky and occasionally devious pasts that international business rules are still a novelty for many. And even well-run companies are enmeshed in Russia's treacherous politics, where a single misstep can have serious consequences.

Russia has its share of well-run companies: Lukoil, the biggest, is also making strides toward more open operations, and Surgutneftegaz, number three, is seen as downright conservative. But Western investors know from bitter experience not to take them at face value.

The country's second-biggest oil company, Yukos, used stock issues to move much of itself offshore this year in an attempt to skirt creditors and minority shareholders, including Kenneth Dart, an American financier.

BP Amoco sank $571-million (US) into Russia's fifth-largest oil company, Sidanko, in 1997, only to discover its books concealed huge debts. The company went bankrupt, and a politically attuned Russian oil company, Tyumen, has since picked off some of Sidanko's most valuable assets in what skeptics say is a rigged bankruptcy court.

The industry is legendary for its schemes to launder oil money, mislabelling products and manipulating sales prices to move profits into offshore banks and away from shareholders and government authorities.

Such behaviour may not be excusable, analysts say, but it is explained. "You have to remember that this is an industry where the primary interest, at least until a couple of years ago, was to get the cash and run," said Vittorio Juncker, a petroleum analyst with the World Bank in London. "Oil was one of the best ways in which you could accumulate financial reserves outside Russia. A lot of private fortunes have been built on that."

New York Times

February 17, 2000:

Post Share

Ross Financial buys more RJR Holdings stock

Ross Financial Corp., an investment vehicle for Kenneth Dart, raised its stake in R.J. Reynolds Tobacco Holdings Inc. to 13.8 percent from 11.1 percent of common shares outstanding.

Ross now holds almost 15.2 million shares in R.J. Reynolds, the nation's second-largest cigarette manufacturer, according to a Schedule 13G filed with the Securities and Exchange Commission.

RJR, based in Winston Salem, became a separate company last year when RJR Nabisco Holdings Corp. split into independently traded food and tobacco businesses. R.J. Reynolds sells cigarettes under such brand names as Winston and Camel.

Dart is the president of Dart Container Corp., one of the largest manufacturers of foam coffee cups in the nation.

R.J. Reynolds shares were up 1/16, closing at 20 yesterday. Company shares have fallen 26 percent over the past six months.

September 11, 2001:

Dart could owe $4.37 million to the IRS

Mason-based firm deducted the money from 1996-97 taxes

By Jerry Moskal
Gannett News Service

WASHINGTON — Dart Container Corp.'s cost of flying and protecting family members could increase by $4.37 million.

That's how much the Internal Revenue Service is demanding

IRS denied Dart its deductions for expenses of providing air and security services to its top two officers and their families.

The company filed a petition asking the U.S. Tax Court in Washington to overturn the IRS ruling. It defended the expenditures as necessary business expense because of threats against Kenneth Dart and Robert Dart.

"I generally don't comment on litigation," said Kenneth Johns Jr. of Dallas, one of five

in the courthouse."

Timothy Devetski, a Houston tax attorney for the company, said Monday that he and the other attorneys "have been instructed not to comment."

The IRS routinely does not comment on pending tax cases.

The case is just the latest run-in the company has had with the IRS. Dart was successful 20 months ago in getting the court to dismiss five tax cases increasing the firm's taxable income by $70.2 million.

Darts and their families with security and air travel was necessary because of threats they received and because Kenneth and Robert Dart are required to travel in areas of the world where violence against foreigners is common.

The petition described Kenneth Dart, company president, and Robert Dart, vice president, as "members of the critical management team for the business of petitioner and its United States affiliates."

Cayman Islands.

"Petitioner was aware of specific threats and other facts and circumstances establishing specific bases for concern regarding KBD's (Kenneth) and his family's safety, as well as ... concern regarding RCD'S (Robert) and his family's safety," the petition said.

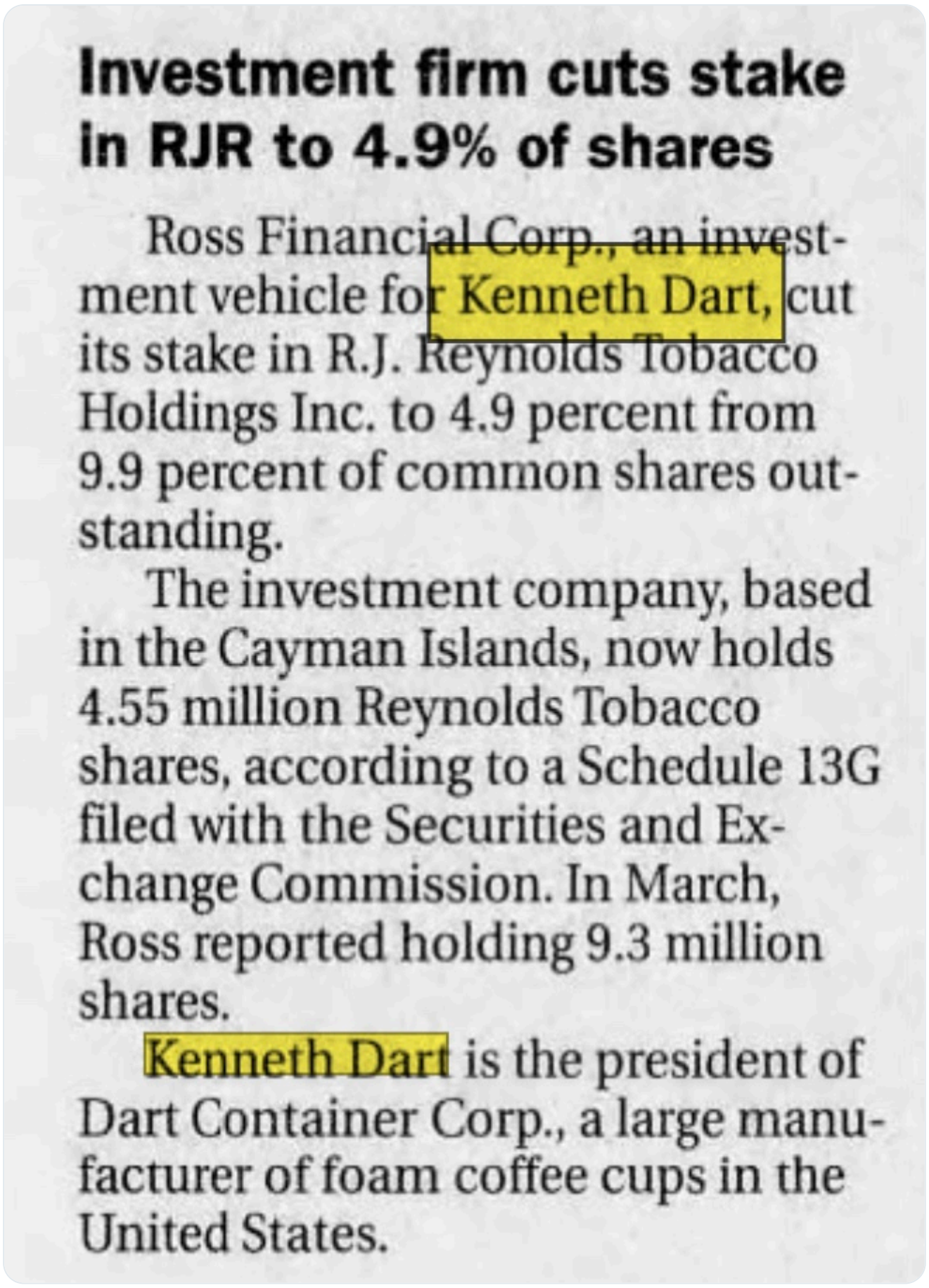
The petition said the flights were necessary to enable the Darts to carry out their duties as the two top officers of the privately held, family-owned com-

largest maker of Styrofoam cups and disposable food containers, with 1,200 employees at facilities in Mason and a dozen other states as well as overseas. The company began making military "dog tags," steel tape measures and plastic key cases.

The IRS issued its notice of deficiency May 29, and the agency has 60 days to respond to the company's Aug. 21 petition. If the IRS and Dart fail to negotiate a settlement, the

Post Share

July 12, 2002:



Investment firm cuts stake in RJR to 4.9% of shares

Ross Financial Corp., an investment vehicle for Kenneth Dart, cut its stake in R.J. Reynolds Tobacco Holdings Inc. to 4.9 percent from 9.9 percent of common shares outstanding.

The investment company, based in the Cayman Islands, now holds 4.55 million Reynolds Tobacco shares, according to a Schedule 13G filed with the Securities and Exchange Commission. In March, Ross reported holding 9.3 million shares.

Kenneth Dart is the president of Dart Container Corp., a large manufacturer of foam coffee cups in the United States.

June 9, 2002:

Post Share

Perils of investing in Russia

THE MAVERICK

LUKE JOHNSON

I SPENT last weekend in St Petersburg, my first time in the Russian Republic for five years. On my previous visit to Moscow, I spent 20 minutes pinned to the floor of a nightclub by gunmen in flak jackets and balaclavas. They were actually police, searching for Chechen gangsters, but at the time I thought we were all about to be robbed.

On the surface things have improved since then – despite rouble devaluation, debt default and loan moratorium in the summer of 1998. There are many more smart foreign cars, flashy shops and prosperous-looking locals in expensive restaurants. But Russia remains a country of stark contrasts. In the provinces, life is rudimentary and mostly agrarian; meanwhile in the capital, some of the world's wealthiest tycoons have made sudden fortunes through – *ahem* – some astute purchases of assets from the state.

The classic story is that of Mikhail Khodorkovsky, controlling shareholder and chief executive of Yukos Oil, Russia's second largest oil company, with 100,000 staff. In just seven years he has wheeled and dealed his way from nothing to a fortune of perhaps $4bn and become the country's richest man at the age of 38. Russia is the world's second largest oil exporter, and thanks to the revival of the price of oil in

A loans-for-shares auction took place – Khodorkovsky was able to buy almost 80 per cent of Yukos for $350m

the last couple of years, Yukos earned net income of $3·5bn on $9·8bn of revenues in 2001 – its market capitalisation is about $15bn. Khodorkovsky and his partners probably own over 60 per cent of the business.

The Yukos boss started his fortune by forming a bank called Menatep. Its principal client was the federal government of Boris Yeltsin. It handled the privatisation of Russian state assets in 1995, when the bankrupt government was in desperate need of funds to pay bills. A preposterous loans-for-shares auction took place. Amazingly, Khodorkovsky was able to buy almost 80 per cent of Yukos for $350m. But of course he was both buyer and seller. To put this in perspective, the company recently paid an interim dividend of $200m, had net cash flow of $3·3bn last year and had $3·6bn in net cash.

Later the "entrepreneurial" Russian had a run-in with Kenneth Dart, a Western magnate who had minority stakes in two core Yukos subsidiaries. But Khodorkovsky had majority control, and so he transferred all the value out. Eventually Dart settled for an undisclosed amount, probably bullied by the ruthless Russian who held all the cards.

In 1997, Yukos borrowed hundreds of millions of dollars from banks like WestLB, Daiwa, Standard Chartered, CSFB and others in order to make acquisitions. When the Russian financial system collapsed, certain Western lenders took ownership of their collateral, 29 per cent of Yukos' shares, held as security for the $266m of debt.

The resourceful management of Yukos then moved into action and threatened to drown the banks' equity with vast new share issues to obscure offshore holders, who would pay for the stock in IOUs. The company's spokesman said: "This was a normal defensive manoeuvre." Meanwhile, the prize assets of Yukos were being sold for peanuts to unknown overseas companies. The Western banks caved in, took the write-off, and sold their shares for perhaps $125m – a 20th of their current value – back to the Khodorkovsky camp.

These days Russian president Vladimir Putin is close friends with president Bush and an ally in the war on terrorism. The Russians are coming in from the cold again. They are pitching for membership of the World Trade Organisation and perhaps even the EU. There are fewer stories about mafia killings on the streets of Moscow.

Their economy and stockmarket have staged impressive recoveries, and the currency is stable. Meanwhile, 10 per cent of the shares in Yukos are owned in America in ADR form and it publishes its accounts according to US accounting standards. It boasts of high corporate governance standards and several foreign directors on its 15-member board. But investors and lenders to the company should study its history and that of its chief executive before deciding to get involved. Leopards tend not to change their spots.

☐ *Luke Johnson is chairman of Signature Restaurants*

September 17, 2003:

Post Share

Bondholder wins $700M judgment

The decision may undermine efforts by other investors to win compensation without going to court themselves.

BY DANIEL HELFT
AND ANDREW BARDEN
Bloomberg News

Kenneth Dart, who has used some of his family's fortune from manufacturing Styrofoam cups to invest in developing countries, won a $700 million judgment against Argentina over defaulted bonds, threatening efforts by the government to renegotiate its $95 billion of debt.

U.S. District Judge Thomas Griesa ruled Friday in New York that Argentina was in default on bonds due in 2008 because the government failed to make an interest payment last year. The decision may undermine efforts by other bondholders, including Morgan Stanley and Bear Stearns Cos., to win compensation from the government without going to court themselves.

"This will put pressure on the Argentine government to get serious on the debt renegotiation issue," said George Estes, who helps manage $1.5 billion in emerging-market debt including $200 million in Argentine bonds at Grantham Van Otterloo & Co. in Boston. "The government has had zero substance on the issue."

No negotiations

Twenty-one months after triggering the biggest default in history, Argentina has yet to start negotiations with 700,000 bondholders holding 99 different securities in eight currencies.

The government has said it would present a debt proposal this weekend in Dubai during an International Monetary Fund meeting.

Griesa suspended his ruling in favor of Dart-controlled EM Ltd. for 45 days, giving the government time to appeal. Pending an appeal or decision by Griesa to further delay the ruling, the company would be allowed to start seizing assets to collect.

"It's posturing," Argentine Economy Minister Roberto Lavagna said on the *Mirtha Legrand* television show, where guests discuss current events around a dinner table. "These funds that buy the bonds do it for no other reason than to sue governments."

John Missing, a partner in Washington for Debevoise & Plimpton who represents Dart's company, declined to comment.

Brazil settlement

Dart, president of Mason, Mich.-based Dart Container Corp., used a similar strategy to seek compensation from Brazil in the 1990s. His family was the lone holdout in a debt swap between commercial bankers and Brazil in April 1994, resulting in a settlement two years later.

The latest legal challenge concerns Argentine peso-denominated bonds that are payable in U.S. dollars and are owned by EM, an offshore company controlled by Dart.

Dart Capital Ltd. purchased bonds with a face value of 595.4 million Argentine pesos in November and early December 2001, The Wall Street Journal reported Monday. The purchase was just after Standard & Poor's had downgraded the country's long-term foreign currency bonds to SD, or selective default. The company said the bonds are worth about $700 million.

Argentina argued that Dart violated a New York law that prohibits buying a bond with the intention of suing over the bond.

Griesa said in his ruling that circumstances of the bond purchase showed that EM had "bought the bonds with the intention of collecting on them" and not to just sue over them.

September 17, 2003:

Post Share

U.S. billionaire Dart awarded US$700M against Argentina

NEW YORK • Kenneth Dart, who has used some of his family's fortune from manufacturing styrofoam cups to invest in developing countries, won a US$700-million judgment against Argentina over defaulted bonds, threatening efforts by the government to renegotiate its US$95-billion of debt. U.S. District Judge Thomas Griesa ruled Friday in New York that Argentina was in default on bonds due in 2008 because the government failed to make an interest payment last year. The decision may undermine efforts by other bondholders, including Morgan Stanley and Bear Stearns Cos., to win compensation from the government without going to court themselves. "This will put pressure on the Argentine government to get serious on the debt renegotiation issue," said George Estes, who helps manage US$1.5-billion in emerging-market debt including US$200-million in Argentine bonds at Grantham Van Otterloo & Co. in Boston. "The government has had zero substance on the issue." Twenty-one months after triggering the biggest default in history, Argentina has yet to start negotiations with 700,000 bondholders holding 99 different securities in eight currencies. The government has said it would present a debt proposal this weekend in Dubai during an International Monetary Fund meeting.

Bloomberg News

September 26, 2003:

Post Share

ARGENTINA

Investors threaten to sue

Legal challenges may delay the South American country's ability to sustain an economic recovery after a four-year recession.

BY HELEN MURPHY
Bloomberg News

Argentina is facing the threat of lawsuits from thousands of investors who say a proposal to restructure $94.3 billion of defaulted bonds is unfair.

"This offer is scandalous," said Elio Lannutti, chairman of Adusbef, a consumer association in Rome representing 10,000 Italian holders of Argentine bonds. "We're going to sue."

Legal challenges to the offer, which would give bondholders new securities valued at $250 for every $1,000 of defaulted bonds, may delay Argentina's return to international capital markets and the country's ability to sustain an economic recovery after a four-year recession.

Investors may have a difficult time collecting, said Christian Stracke, an analyst at CreditSights.

"Rogue defaulting governments have all sorts of ways of preventing plaintiffs getting access to their winnings," Stracke said.

Argentina's 7 percent bond maturing in 2008, the most actively traded issue of the country's defaulted bonds, fell 0.5 cent on the dollar to 28, down from 33.75 on June 24, according to Deutsche Bank AG. The government owes money to investors including banks such as Citigroup, Morgan Stanley and Bear Stearns Cos., as well as about 700,000 individuals.

Several bondholder lawsuits already are pending against Argentina in federal court in the United States, where Kenneth Dart, president of Dart Container Corp. in Mason, Mich., won a $700 million judgment on Sept. 12. The judgment was suspended for 45 days in anticipation of Argentina's new offer.

Dart's success "encouraged" investors to sue Argentina, said Stefan Engelsberger, founder of the First German Society of Bondholders, which groups 272 investors in Japan, Germany, Dubai and Tokyo and holds $200 million in defaulted Argentine bonds.

"Argentina risks being confronted with a lot of lawsuits and legal action because of this," Engelsberger said. "The price of the bonds today is almost worthless so we have nothing to lose. We can hold out and there will be constant pressure."

Roberto Krutiansky, who helps manage $260 million in emerging-market debt including defaulted Argentine bonds at Van Eck Associates in New York, said bondholders deserve to be repaid if multinational lenders such as the International Monetary Fund are getting back their money.

The IMF, World Bank and Inter-American Development Bank ensured Argentina will pay back their loans over the next three years by agreeing this month to lend the government $21 billion as part of a new loan accord.

"That proposal of paying everything to some and nothing to others is just not acceptable," said Krutiansky, who is a member of the Argentina Bondholders Committee, which represents banks such as Morgan Stanley and Bear Stearns Cos. "We want to negotiate. But if Argentina doesn't show willingness to negotiate, then we'll just have to go to court."

Bloomberg writers Alina Trabattoni, Andrew J. Barden, Brett Cole and Daniel Helft contributed to this report.

Why Is a Secretive Billionaire Buying Up the Cayman Islands? (Published 2019)

The heir to a foam-cup fortune is believed to own more land than anyone on the storied tax haven of Grand Cayman, just as rising seas threaten to engulf it.

https://www.nytimes.com/2019/10/18/business/kenneth-dart-cayman-islands.html?smid=url-share

Bought a hotel and turned it into his private house.

Post Share

COVER STORY

AS THE DARTS FLY

With a penchant for secrecy, Michigan family quietly amasses fortune with polystyrene cup

BY BERNIE SHELLUM
Free Press Business Writer

By buying a big stake in Salomon Inc., the Wall Street investment firm, members of a publicity-shy Michigan family have called unwanted attention to their stunning, but mostly secret, success story.

A branch of the Dart family, which has roots in Mason, began buying Salomon stock last September, when Salomon Bros. was reeling from reports of its cheating on bids for U.S. government bonds. By mid-April, family members had invested $192 million and acquired an interest of 6.7 percent.

It was a big bet on Warren Buffett, the investment genius who also made his mark on Wall Street from a distant outpost, Omaha, and was then steering Salomon through its most difficult time.

But Buffett, who recently relinquished Salomon's chairmanship, holds only 700,000 Salomon shares. The Darts hold nearly 11 times that many and rank as the firm's second biggest owner.

The question is, where did the Darts get the money to make that big a bet on Wall Street?

Most of it appears to have come from the humble polystyrene cup found in picnic baskets and fast food outlets around the world. Dart Container Corp. of Mason has been a leading producer for 29 years.

Like many families, it has its share of infighting, illicit romance and intrigue. But unlike most, the Darts have major investments in everything from oil wells to condo projects.

Dart Container's owners have a penchant for secrecy, relatives and acquaintances in Mason acknowledged. "They're virtually impossible to get to," said Rollin Dart, a relative who runs Dart National Bank in Mason and Holt. "They would go to Antarctica to avoid talking to a reporter."

Indeed. With one exception, the Darts who own the cup company and some of their relatives refused to be interviewed for this story.

As a private company, Dart Container has never had to divulge its profits, cash flow, or other information about its performance. Since moving its headquarters, at least nominally, from Michigan to Florida in the mid-1980s, it has not disclosed any figures at all.

But Dart Container's final report to Michigan's Corporation and Securities Bureau in 1986 provides clues to its profitability. After 22 years in business, it had piled up surplus profits — excluding dividends previously paid to stockholders — totaling $112 million. Its equity stood at $118 million. Its assets were valued at $184 million.

The investment in Salomon Bros., disclosed in reports to the Securities & Exchange Commission in October and April, came as a surprise, however, because few outside the Dart family knew the extent of its wealth.

"I never give it a thought," said Versile Babcock, a historian in Mason who has known the Darts since the 1940s. "They're common people, very much so. They live better than the average person, but not ostentatiously."

The Darts also have kept the size of their fortunes from the prying eyes of professionals, such as journalists who compile Forbes' and Fortune's lists of the richest. The Dart name does not appear.

Even a cursory examination of available figures indicates that the family may have the $1-billion net worth required for listing in Forbes.

The one family member who did grant an interview for this story is Tom Dart, who grew up in Mason but now lives in Birmingham. He said his family's investment in Salomon Bros. "is a smaller positon than some of the positions they have."

At 39, Tom Dart already has built a business empire of his own, leaving management of Dart Container and its investment arm to his father and two younger brothers.

Starting from scratch in the early 1970s, he has assembled a portfolio of nearly 200 producing oil and gas wells in Michigan, a propane distributorship, a trucking fleet that hauls nonhazardous wastes, oil field services, contract drilling, real estate development, property management, and high finance.

"Basically, we try to do whatever we can do," he said. "The happiest days for me are when we make enough money to write bonus checks (for employees). They're happy. I'm happy. Everybody's happy.

"We've had some real lean times in the oil business, but we've got our niche where we do all right."

The story of the Dart family in Michigan started in 1869, with the migration of James R. Dart from New York to Lansing. As proprietor of a lumber yard, sawmill and other businesses, Dart earned a reputation as pushy and aggressive. He ended his career as sheriff of Ingham County, and then retired in Mason.

His daughter, Gertrude, became one of Michigan's first female doctors.

A son, R.C. Dart, founded Dart National Bank in Mason, and fathered eight children:

- R.C. Dart's daughter, Dorothy, was a doctor and psychiatrist.
- Son Doc ran the bank.
- Jim was a plumbing contractor who fell on hard times and served time for kiting checks to operate his business.
- Norman was a car dealer who fell in love with his secretary, left his wife and moved to Arizona, causing a scandal that older Masonites recall decades later as if it happened last week. "It was the talk of the town," said one.
- John, a Harvard-trained lawyer, ran Dart Insurance Co.
- Then, there was William F. Dart, the only child of R.C. Dart to settle for a high school education, who was a plumbing and heating contractor during the Depression and later became an inventor.

One of his inventions was the Keymatic, a spring-loaded gadget that held keys and kept drivers from leaving car keys in ignitions. Another was the Marble Race, a game that produced random winners.

William F. Dart also claimed to have had a role in developing the modern refrigerator, but got squeezed by a long patent dispute.

In the late 1950s, he teamed up with his son, William A. Dart, a University of Michigan-trained engineer, to explore the use of plastic.

The two men spent 2½ years developing the machinery to mold a polystyrene cup, Tom Dart, the oldest son of William A. Dart, said.

Eventually, however, William F. and William A. Dart solved the production problems that had dogged their own and others' attempts to make a consistently good polystyrene cup, and Dart Container came out of the competition as the lowest-cost producer.

"It's been growing exponentially since the '60s," Tom Dart said.

Family ties, on the other hand, have weakened. Tom Dart fondly recalls huge gatherings of the clan fathered by his great-grandfather, R.C. Dart, in the '50s and '60s, but those fell by the wayside long ago.

"The happiest days for me are when we make enough money to write bonus checks," says Tom Dart, who owns nearly 200 producing oil and gas wells in Michigan.

Normal splintering and distance took a toll.

Then, there was the rotating chairmanship of Dart National Bank, which became a lasting source of friction in the 1960s. William F. Dart was taking his normal turn at the post, but when another Dart's time came he was reluctant to give it up, Tom Dart said. Too reluctant, it seems. Words were exchanged.

William F. Dart vacated not only the chairmanship, but the bank. He took his considerable business down the street to the rival Mason State Bank, which rewarded him with a seat on the board of directors.

When outside forces threaten, however, the family still coalesces.

Rollin Dart, who runs the Dart bank, agreed initially to be interviewed for this story. But before the interview took place, he consulted the owners of Dart Container — whom he describes as his "extremely closemouthed cousins" — and called it off, citing family concerns about kidnaping and other hazards.

Like his grandfather at the bank, Tom Dart also resisted succession. He was in line to replace his father as president of Dart Container, but chose instead to build a business career of his own.

Initially, he set out to become an engineer, like his father, studying for four years at the University of Michigan in the early 1970s.

But the real world beckoned, and Tom Dart answered the call. Using a $100,000 bequest from his grandfather — the inventor — he speculated in stocks, options and commodities. In three years, while still a student, he built his stash to $1 million.

His investments in oil and gas during that high-tax period also opened Tom Dart's eyes to the virtues of tax shelters, and he began using them to protect the wealth Dart Container generated.

"I did all of my grandfather's estate planning, his tax planning," he said. "At that time there were really confiscatory tax rates — 70 percent. If you were going to retain any money you really had to look to find any tax-advantaged kind of investments you could. I became something of an expert for the time.

"My grandfather and I had a real close relationship. It gave us something to work on together."

At age 21, while still at U-M, Tom Dart also became an investment banker affiliated with a small company in Dearborn. Later, leaving U-M after four years without a degree, he and a friend set up their own investment banking firm in Lansing.

"I guess it was a little bit of adolescent rebellion," he said. "I was real anxious to get out in the business world and make money. I felt like I was spinning my wheels when I could have been out in the world."

In the mid-1970s, anticipating a boom in oil and gas, Tom Dart began risking his fortune by drilling new wells.

In 1980, his Dart Energy Corp. found a major gas field more than two miles deep in Missaukee County, near Cadillac.

Besides making history as the state's first deep gas strike, the find produced gas revenue of $1.1 million a month. So Tom Dart kept searching for oil and gas, and now has nearly 200 producing wells in Michigan, according to the State Geological Survey. Besides his other businesses, he is a partner in an investment firm that recently bid on $120 million in mobile home mortgages being auctioned by the Resolution Trust Corp.

The three brothers — Tom, Ken, 37, and Bob, 34, — are partners in Dart Property Management Corp., which has organized investment partnerships that own and operate thousands of apartment and condominium units and other property in Michigan. Ken, president of Dart Container, lives in Sarasota, and Bob, who is vice president, lives in Okemos.

Despite his success, Tom Dart is quick to point out his failures — his losses in the stock and commodities markets, his drilling for oil and gas years after he says government policies spelled doom for the industry.

"The alternative minimum tax means you're going to pay a minimum tax based on your revenue whether or not you've made any money," he said. "I can drill a well and it may take me a year to see revenues from it. Maybe a year and a half. Michigan does not have the kind of reserves to justify the risk."

So, Dart Energy Corp., which employs about 400 people, has pulled its oil and gas rigs out of Michigan and is drilling, instead, in Ohio, Illinois, and North Dakota.

But the number of active rigs is running at record lows nationally, and Tom Dart says, "That's not an industry in recession; that's an industry in liquidation. I didn't foresee that."

To cope, he set up Ixdril International last year to do contract drilling in Syria, Kuwait and Yemen.

"You can't make ends meet in this country," he said. "We have to find our opportunities elsewhere."

By doing their drilling on Wall Street, however, Tom Dart's brothers and father, William A. Dart, have done all right for themselves. They paid as little as $20.75 a share and no more than $29.50 a share for their Salomon stock.

On Friday, Salomon closed at $32.50 a share on the New York Stock Exchange, having added about $54 million to the Dart family's net worth.

SIZABLE SALOMON STAKES

The Dart family spent nearly $200 million and now is the second-largest shareholder in Salomon Brothers, the Wall Street investment house.

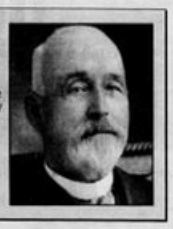
INVESTOR	SHARES HELD	PERCENT OWNED
State Street Boston Corp.	11,875,500	10.5
Dart Family	**7,562,100**	**6.7**
Pacific Financial Research	5,176,508	4.6
Michigan State Treasurers Office *	5,106,500	4.5

Source: Securities & Exchange Commission reports * for state pension funds

THE DART DYNASTY

The family who gave us the polystyrene cup has grown very rich and equally reclusive. Its investments reach from Wall Street to the oil patch. The key Darts and their claims to fame:

James Dart
Family founder, described by historians as "one of the army of pushing, aggressive men who were never satisfied unless they could attain the highest position that could be aimed for."



R.C. Dart
Founder of bank, father of eight children, most of them entrepreneurs.

William F. Dart
An inventor of games and gadgets, he looked for new ways to use plastic. Founded a fortune by developing high-quality polystyrene cup.

William A. Dart
Holder of several engineering degrees from U-M, he translated father's ideas into products, designed machinery that produced Dart cup. Retired and lives in Sarasota, Fla.

Tom Dart
Intent on building his own business, he passed up top post at Dart Container and assembled portfolio of oil and gas wells, waste hauling fleet, real estate and financial assets. Lives in Birmingham.

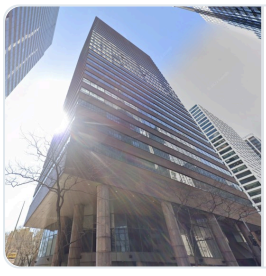
Kenneth Dart
As president, he moved Dart Container to Florida for tax reasons. Lives in Sarasota.

Robert Dart
Is vice president of Dart Container. Lives in Okemos.

Has been buying NYC RE:

Solo Cup Billionaire Ken Dart Buying 175 Water Street in NYC
A billionaire whose family owns the rights to the iconic red plastic Solo cup is buying the former AIG HQ in FiDi for $252 million.
https://therealdeal.com/new-york/2022/09/19/reclusive-billionaire-buying-former-aig-headquarters/

175 Water St · 175 Water St, New York, NY 10038
Building
https://maps.app.goo.gl/kVcvJ2KSSyBWEiTn7



Billionaire Dart family affiliate revealed as owner of 31% stake in $425.5M NYC portfolio
Two entities tied to the family of the billionaire Ken Dart of Dart Container transferred
https://www.pincusco.com/billionaire-dart-family-affiliate-revealed-as-owner-of-31-stake-in-425-5m-nyc-portfolio/

From the 2004 Loews Proxy Statement: Dart has owned/traded in all of these tobacco company names for decades. Loews had Lorrilard. Lorrilard was acquired by RJ Reynolds in 2014, RJ Reynolds was acquired by British American Tobacco in 2017.

. . .

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Replying to @wrathofgnon
In in Hualien County a private 6ha butterfly reserve is being used to also grow indigo plants, which were a major cash crop until about a century ago. Underneath the trees indigo plants provide food and shelter for the butterflies: excess indigo leaves are harvested and sold.

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Ever wonder why Sun Valley is a "thing"? Herbert A. Allen, Jr.

May 14, 1968: At age 28, elected as a director to National General Corporation, a chain of theatres. His introduction to the film and media industry, which would prove important later on.

June 11, 1969: Allen got on the AFI Board of Trustees.

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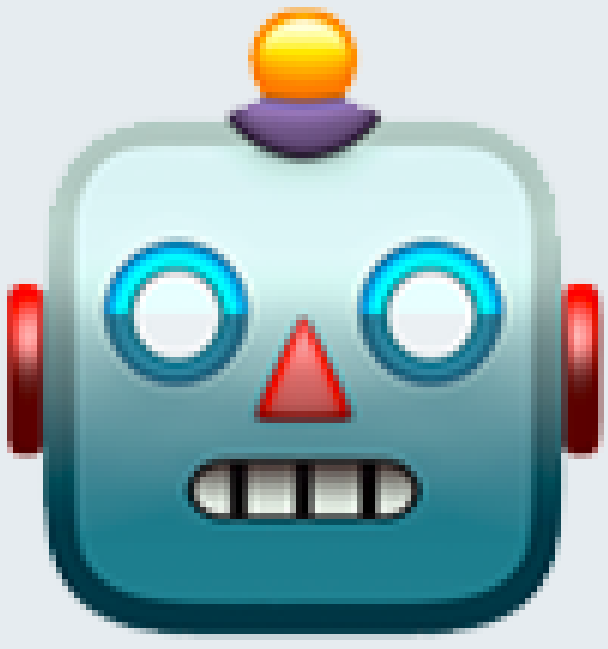

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